

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

YUSEF ABUGHAZALEH, derivatively on behalf of
VIRGIN GALACTIC HOLDINGS, INC.,

Plaintiff,

v.

RICHARD BRANSON, WANDA AUSTIN, ADAM
BAIN, MICHAEL COLGLAZIER, TINA JONAS,
CRAIG KREEGER, EVAN LOVELL, GEORGE
MATTSON, CHAMATH PALIHAPITIYA, JAMES
RYANS, W. GILBERT WEST, and GEORGE
WHITESIDES

Defendants,

and

VIRGIN GALACTIC HOLDINGS, INC.,

Nominal Defendant.

Case No. 1:23-cv-00156-MN

STIPULATION AND ORDER TO STAY ACTION

WHEREAS, on February 13, 2023, Plaintiff Yousef Abughazaleh (“Plaintiff”) filed a Verified Shareholder Derivative Complaint (“Complaint”) in the above-captioned action, ECF No. 1 (the “Action”);

WHEREAS, the Complaint names as Defendants Richard Branson, Wanda Austin, Adam Bain, Michael Colglazier, Tina Jonas, Craig Kreeger, Evan Lovell, George Mattson, Chamath Palihapitiya, James Ryans, W. Gilbert West, and George Whitesides (the “Individual Defendants”) and names as a Nominal Defendant Virgin Galactic Holdings, Inc. (“Virgin Galactic” or the “Company”) (collectively, “Defendants”);

WHEREAS, Defendants’ deadline to respond to the Complaint is March 7, 2023;

WHEREAS, the Complaint alleges claims related to those claims asserted in a securities class action lawsuit pending in the United States District Court for the Eastern District of New

York captioned *Lavin v. Virgin Galactic Holdings, Inc. et al.*, No. 1:21-cv-03070-ARR-TAM (E.D.N.Y.) (filed May 28, 2021) (“Class Action”);

WHEREAS, a motion to dismiss the operative complaint in the Class Action was filed on February 24, 2023 (“Motion to Dismiss”);

WHEREAS, the Complaint alleges claims that are also related to those claims asserted in derivative actions pending in the United States District Court for the Eastern District of New York, including matters captioned *Laidlaw v. Branson et al.*, No. 1:22-cv-05634-HG (E.D.N.Y.) (filed September 21, 2022); *St. Jean v. Branson et al.*, No. 1:22-cv-07551-EK-MMH (E.D.N.Y.) (filed December 13, 2022); and *In re Virgin Galactic Holdings, Inc. Derivative Litigation*, No. 1:22-cv-00933-LDH-MMH (E.D.N.Y.) (filed February 21, 2022) (each a “Derivative Action” and collectively the “Derivative Actions”);

WHEREAS, Defendants’ position is that this Action should, at the appropriate time, be transferred to the United States District Court for the Eastern District of New York and consolidated with one or more of the pending Derivative Actions;

WHEREAS, Plaintiff’s position is that this Action is properly filed in Delaware pursuant to the exclusive forum provision in the Company’s certificate of incorporation;


WHEREAS, in the interests of judicial economy and conserving the resources of the Parties and the Court, the Parties to this Action agree that the Court should stay this Action, pending a decision on the Motion to Dismiss;

WHEREAS, the Parties have agreed that during the pendency of the stay of this Action, Defendants shall not be required to file motions to dismiss, answer or otherwise respond to the Complaint or any amended complaint subsequently filed in the Action;

WHEREAS, the Parties, by and through their counsel, have met and conferred and, for the convenience of the Parties and the Court, hereby enter into the following stipulation, subject

to the Court's approval;

NOW, THEREFORE, IT IS THEREBY STIPULATED AND AGREED, by and between the undersigned counsel for the Parties, that:

1. This Action (including all discovery) shall be stayed until twenty (20) business days following the resolution of the Motion to Dismiss including exhaustion of appeals in the Class Action, or any related securities class actions that may be filed **at which point the parties may request the Court to lift the stay.** 

2. If the stipulated stay of proceedings is lifted, the Parties shall meet and confer and within ten (10) business days submit a proposed scheduling order governing any further proceedings in this Action, including the date by which Defendants must respond to the Complaint or any subsequently filed amended complaint.

3. Defendants shall promptly notify Plaintiff within ten (10) days of any related derivative lawsuits of which they become aware and that are not already in existence at the time of this stipulation.

4. The Company shall provide Plaintiff with copies of any discovery provided to plaintiffs in any other Derivative Action and any documents produced to another shareholder of the Company pursuant to any future books and records demand within ten (10) days thereafter. Any production made pursuant to this provision shall be subject to entry of an appropriate confidentiality protective order in this Action, such that Plaintiff may use such discovery only for the purpose of litigation or settlement of the this Action; provided, however, that any complaint (including any amended complaint and any consolidated complaint) filed by Plaintiff arising out of, relating to, involving, or in connection with the documents from a books and records demand shall be deemed to incorporate by reference the entirety of the books and records of which inspection was permitted.

5. During the pendency of this stay, Defendants will provide Plaintiff with reasonable advance notice of and invite Plaintiff to participate in any mediation or formal settlement talks between the Parties in the Class Action, or any other Derivative Action or threatened actions (including litigation demands or books and records demands).

6. This Stipulation is without prejudice to any and all defenses Defendants may assert in this Action, including but not limited to any jurisdictional or venue challenges, and without prejudice to any and all claims Plaintiff may assert in this Action.

IT IS SO STIPULATED.

/s/ Blake A. Bennett

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Attorneys for Defendants

Dated: March 6, 2023

SO ORDERED this 7th day of March 2023.



The Honorable Maryellen Noreika
United States District Judge